

**LEMON GROVE SANITATION DISTRICT  
AGENDA ITEM SUMMARY**

**Item No.** 3  
**Mtg. Date** April 7, 2015  
**Dept.** Development Services

**Item Title:** Rejection of Bids for Sewer CIP Upsizing Project

**Staff Contact:** Tamara O'Neal, Interim City Engineer

**Recommendation:**

Adopt a resolution (**Attachment B**) rejecting all bids received for the Sewer CIP Upsizing Project.

**Item Summary:**

In 2013, staff presented to the Board of Directors a Capital Improvement Program (CIP) Update which included the need to create a new project to rehabilitate sanitary sewer mains, including replacement, upsizing and repairs. On January 22, 2015, bid documents for the project (Contract No. 2015-02) were advertised. Based on that advertisement, the District received five sealed bids.

Staff recommends that the District Board of Directors consider a resolution (**Attachment B**), rejecting the bids. The staff report (**Attachment A**) provides analysis regarding staff's recommendation. If the resolution is adopted, staff will re-advertise the project.

**Fiscal Impact:**

Sanitation District funds were budgeted for this project as part of the Fiscal Year 2013-14 budget.

**Environmental Review:**

- |  |   |
|--|---|
| <input checked="" type="checkbox"/> Not subject to review        | <input type="checkbox"/> Negative Declaration           |
| <input type="checkbox"/> Categorical Exemption, Section [      ] | <input type="checkbox"/> Mitigated Negative Declaration |

**Public Information:**

- |  |   |   |
|--|---|---|
| <input checked="" type="checkbox"/> None                     | <input type="checkbox"/> Newsletter article   | <input type="checkbox"/> Notice to property owners within 300 ft. |
| <input type="checkbox"/> Notice published in local newspaper | <input type="checkbox"/> Neighborhood meeting |   |

**Attachments:**

- A. Staff Report
- B. Resolution



## LEMON GROVE SANITATION DISTRICT STAFF REPORT

Item No. 3

Mtg. Date April 7, 2015

Item Title: Rejection of Bids for Sewer CIP Upsizing Project

Staff Contact: Tamara O'Neal, Interim City Engineer

### Discussion:

In 2013, staff presented to the Board of Directors a Capital Improvement Program (CIP) Update which included the need to create a new project to rehabilitate sanitary sewer mains, including replacement, upsizing and repairs. On January 22, bid documents for the project (Contract No. 2015-02) were advertised in the East County Californian, online at eBidboard and the City's website.

On February 25, the District received five sealed bids. The name of each bidder, their location, and amount of their bid are listed below:

Bidder's Name	Location	Amount
MJC Construction	Bonita, CA	\$1,018,006.50
Wier construction	Escondido, CA	\$1,040,858.00
GRFCO	Brea, CA	\$1,091,930.00
Just Construction	San Diego, CA	\$1,141,934.00
Paul Hansen Equipment Inc.	San Diego, CA	\$1,228,241.00

The engineer's estimate for this project was \$1,215,830. The low bid was submitted by MJC Construction Corp. for \$1,018,006.50. After staff reviewed the low bid, it was determined that the required reference information was incomplete and that not all projects referenced were within the three-year time frame stipulated in the specifications. Review of the second lowest bid revealed a similar irregularity with respect to the referenced projects being completed outside of the required three-year time frame.

Due to the large dollar amount between the two lowest bidders and the third bidder, staff recommends that all bids received at the February 25 bid opening be rejected, and that the project be re-advertised allowing projects that were completed within the last five years to be submitted for reference.

The Municipal Code and the bid document allows the District to reject all bids and staff believes that this measure will result in a significant savings to the District.

### Conclusion:

Staff recommends that the Board of Directors adopt the resolution (**Attachment B**) rejecting all bids received for the Sewer CIP Upsizing Project.



# Attachment B

## RESOLUTION NO. 2015-\_\_\_\_

### RESOLUTION OF THE LEMON GROVE SANITATION DISTRICT BOARD OF DIRECTORS REJECTING ALL BIDS RECEIVED FOR THE SEWER CIP UPSIZING PROJECT

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**WHEREAS**, on January 22, 2015, bid documents for the Sewer Capital Improvement Project: Upsizing (project) were advertised in the East County Californian, and online at eBidboard and the City's website; and

**WHEREAS**, on February 25, 2015, five bids were received for the project; and

**WHEREAS**, said bids were opened and the two lowest bids contained irregularities; and

**WHEREAS**, the third lowest bid submitted was significantly higher in cost than the lowest two bids; and

**WHEREAS**, Section 3.24.120 of the Lemon Grove Municipal Code allows the Board of Directors to reject any or all bids presented; and

**WHEREAS**, the Board of Directors finds it in the public interest that the bids be rejected and the project re-advertised; and

**NOW, THEREFORE, BE IT RESOLVED** that the Lemon Grove Sanitation District Board of Directors hereby rejects all bids received at the February 25, 2015 bid opening for the Sewer CIP Upsizing Project.

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